

WEEKLY BRIEFING

18 October 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Surprise fall in UK inflation paves way for interest rate cuts

UK inflation fell unexpectedly to 1.7% in the year to September, the lowest rate in three-and-a-half years. It means the annual rate prices are rising and is now below the Bank of England's 2% target, paving the way for further interest rate cuts. Lower airfares and petrol prices were the main drivers behind the surprise slowdown, official figures showed, external. Separately, September's inflation figure is also normally used to set how many benefits will rise by next April. UK interest rates are currently at 5%. The Bank made a first cut in August but decided to hold them last month. It is already widely expected that they will be cut in November.

UK firms which are in 'significant financial distress' hits record

A record number of UK firms are fighting for their financial survival as the uncertain economic outlook hits business confidence. Restructuring specialist Begbies Traynor has reported that there were 632,756 UK businesses in 'significant' financial distress in the third quarter of this year – a 32% rise compared with a year earlier. Significant financial distress increased in almost every one of the sectors covered by the latest Red Flag Alert survey. It rose particularly rapidly among utilities companies (+19.3%), food & drug retailers (+10.4%), financial services (+9.94%) and bars & restaurants (+8.7%). But there was a 17% year-on-year drop in the number of businesses in 'critical' financial distress (close to insolvency). Julie Palmer, partner at Begbies Traynor, says 2024 has been hard to navigate for companies, which have been hit by high inflation – and could face new taxes in the budget.

Ministers complain to Prime Minister Keir Starmer over-spending cuts

Several cabinet ministers have written to the prime minister and the Treasury two weeks ahead of the Budget, to voice concerns over the scale of cuts their departments may face. There are fears that steep spending cuts will be needed to meet what Whitehall sources have suggested is a £40bn funding gap.

In what some say is an unusual move, ministers from hard-pressed departments are calling for a last-minute rethink of the Budget, “going over the head” over the chancellor, to address the prime minister directly. Bloomberg reported that ministers had expressed concern that the proposed cuts could be as high as 20% next year. Sir Keir Starmer and Rachel Reeves have agreed on the spending totals to be unveiled in the budget on 30 October, the spokesman said.

TRADE UPDATE

Expedia’s Travel Trends for 2025 include Detour Destinations

According to Expedia, travellers will venture beyond popular tourist spots in 2025, to explore lesser-known, less crowded destinations. Expedia's "Detour Destinations" highlights alternatives growing in popularity, offering unique experiences without the crowds. For example, Reims in France offers a quieter escape from Paris, while Cozumel provides a tranquil alternative to Cancun. These rising stars saw an increase in flight searches on Expedia, and 63% of travellers say they plan to visit similar off-the-beaten-path spots on their next trip.

Florida Tourism Recovery Plan Post-Hurricanes

In response to the devastation caused by Hurricanes Helene and Milton, Florida tourism officials are launching a multi-million dollar recovery plan. The "Sunshine is Shining in Florida" social media campaign aims to promote areas that remained largely unaffected, showcasing the state's readiness to welcome visitors. Visit Florida CEO Dana Young highlighted the ongoing initiatives, including partnerships with content creators and regional campaigns to boost tourism in less impacted areas.

Jet2CityBreaks Expands Winter 2024/25 Offerings

Jet2CityBreaks continues to expand its offering. The holiday company has now added Bratislava and Malmo to its winter 2024/25 program, offering customers more city break options. Flights to Bratislava will be available from Manchester and Birmingham, while Malmo will be accessible from Manchester. These new additions complement the existing winter destinations lineup, enhancing travel options for those looking for cultural and seasonal getaways. Both cities provide unique historical and modern experiences, making them attractive for winter travellers.

AIRLINE UPDATE

British Airways - British Airways is facing significant disruptions due to the grounding of several Boeing 787 aircraft caused by supply chain issues with the Rolls-Royce Trent 1000 engines. This has resulted in the cancellation of multiple long-haul flights, including the postponement of the new London Heathrow to Kuala Lumpur service and the suspension of the Gatwick to New York JFK route until the end of March 2025. Affected passengers will be rebooked on alternate flights, although they may have to travel from different airports. The airline continues to collaborate with Rolls-Royce to address the situation and minimise the impact on its operations.

Eithad - Etihad Airways is set to expand its network following a substantial rise in passenger numbers, with 1.6 million passengers flown in September alone, a 400,000 increase from the previous year. The airline's fleet has grown from 79 to 95 aircraft, and it now serves 76 destinations from its Abu Dhabi hub. Year-to-date, passenger volumes reached 13.6 million, a 35% increase compared to last year. Chief executive Antonoaldo Neves highlighted new routes to Prague and Warsaw, with more planned as part of their growth strategy.

Ryanair - Classic Collection, in partnership with Ryanair, has significantly expanded its city breaks program, increasing the number of cities offered from 17 to 34, with an additional 16 planned by year-end. New destinations include Brussels, Budapest, and Reykjavik, among others. A dedicated contact centre team will support bookings, ensuring real-time updates for agents and customers. Each booking made in October with a Ryanair flight component enters agents into a draw for familiarisation trips, enhancing their ability to promote these new offerings effectively.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Kuoni - Kuoni, the established luxury tour operator, is preparing for a transformative rebranding set to launch in January 2025, aiming to make its travel products more accessible to a broader audience. Following a comprehensive business review, the operator will reposition its brand with lower prices while preserving its premium image. Managing director Mark Duguid highlighted a return to global operations and a focus on family travel, especially outside peak school holiday periods. This strategic shift includes expanding offerings in the Caribbean and introducing more adventurous family trips, with a marketing campaign reflecting a bold new direction. Kuoni remains committed to maintaining its unique market position, despite the adjustments aimed at broadening its appeal.

Major Travel - Major Travel is set to expand into the US market following its acquisition by IntelTravel earlier this year. IntelTravel president James Ferrara announced that preparations for regulatory compliance, licensing, and taxation structures are currently underway. The goal is to officially introduce Major Travel as a supplier to US-based agents by the first quarter of next year. In addition to the US expansion, Major Travel's booking platform will be integrated into IntelTravel's back-office system in the UK. This integration aims to simplify the booking process for agents, allowing them to access Major Travel's offerings with a single sign-on.

Scott Dunn - The luxury tour operator, has identified key travel trends for 2025, spotlighting Yunnan Province in China, which has seen a staggering 400% increase in global bookings. Baja California Sur in Mexico follows closely with a 53% rise, driven by family travel. The operator highlights unique experiences like "coolcationing" in Nordic countries and "eclipse-chasing" in Greenland. Other notable destinations include Sardinia, East Africa, and Australia's Kimberley region. Scott Dunn is also expanding its luxury cruise offerings to align with evolving travel preferences.

Wendy Wu Tours - Wendy Wu Tours, the escorted tours specialist, is partnering with TProfile to transform how travel agents access and present specialist tours. This collaboration will provide agents with high-quality content, including visuals and videos, to better inspire customers and streamline operations. Gary King, head of trade sales at Wendy Wu Tours, emphasised that this partnership will enrich itineraries and improve the customer experience. Bhav Taylor, chief sales officer at TProfile, noted that there is strong demand for Wendy Wu Tours within their platform. The integration aims to eliminate inefficiencies associated with outdated tools, allowing agents to create and send complex tour quotes in under two minutes, significantly enhancing productivity and customer satisfaction.

SOCIAL UPDATE

Instagram introduces new profile cards

Instagram has provided a new and simple way for users to share their profile, in the form of a digital 'ID card'. One side of the profile card has a QR code which when clicked takes you directly to the user's profile page. The other side of the flappable card is a brief overview of the user including their profile picture, a bio and for brands; their business links. There are also options for the user or brand to personalise their profile cards, including selecting a song which plays when the card is opened.

Threads launches active status indicators to profiles

Threads is looking to boost engagement through live status indicators on each user profile to signify when a user is online. This is shown through a green dot which appears next to the profile picture, alerting other audiences that this user is active on the app in real-time. The purpose of this new feature is to prompt more engagement, encouraging user interaction when they can see fellow users are online.

MICE UPDATE

Record attendance reported for IMEX America 24

The 2024 edition of IMEX America wrapped up 10 October with record attendance, reflecting a strong growth trajectory and an air of confidence across the business events industry. The show, which ran 8–10 October at Mandalay Bay in Las Vegas, welcomed over 15,500 participants including 5,500 buyers, of which 4,300 were hosted buyers. Buyers took part in over 86,000 pre-scheduled meetings in three days, the majority of which were one to ones with exhibitors. The 13th edition of the show was reflective of a buoyant meetings and events sector with strong business pipelines evident in the meetings, connections and conversations had across the show floor and at hundreds of fringe events.

LIGHTER NOTE

Elderly man found alive in a cave

A video of a frail man in India who is 'allegedly' 188 years old and rescued from a cave went viral this week. See more [HERE](#).